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SUBJECT: MEDIA REACTION: AFGHANISTAN, MIDEAST, GREECE-EU,
U.S.-CHINA, EU-U.S., US-OBAMA;BERLIN

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- ¶1. Lead Stories Summary

Print media centered on the debate over Foreign Minister Westerwelle's controversial remarks on the recipients of the Hartz IV social security benefits. Die Welt headlined: "Bundeswehr Expects Long Fight in Afghanistan" and featured an article by Bundeswehr chief of Staff General Wieker on the NATO mission in Afghanistan. Editorials focused on the debate over social benefits in Germany and the assistance Goldman Sachs and other U.S. investment banks gave to Greece in hiding its financial problems from the EU. ZDF-TV's early evening newscast heute led with a report on the train crash in Belgium, while, ARD-TV's early evening newscast Tagesschau reported on the reactions to FDP leader Westerwelle's remarks concerning the social welfare state in Germany.

- ¶2. (Afghanistan) ISAF Offensive

Under the headline "In the front-line," Sddeutsche (2/16) remarked: "This time around, everything was supposed to be different. That's what NATO promised. For days, the military alliance has warned civilians of the largest offensive against the Taliban in southern Afghanistan. However, shortly after the beginning of Operation Together, a misguided missile killed numerous civilians. NATO Commander McChrystal publically apologized for the tragic incident. This is a new tone, but does not change anything about the fact that the death of civilians is playing into the hands of the Taliban. As a result, they can portray themselves as liberators.... The people have little confidence in the foreign troops. Many Afghans don't

differentiate between the Taliban and the army - they have a human need: a life without violence and fear. The people in the unstable province of Helmand don't have this yet."

Die Welt (2/16) opined on its front-page: "The offensive is the acid test for the Pentagon's strategy to capture the territory, hold and develop it, hand it over to the Kabul government and then begin its withdrawal as of summer 2011. The troop increase has made the things that are happening now part of Obama's war. This is about the future of the government in Washington. However, above all, this will decide the nature of Islam - friend or enemy - the West will meet in the future."

Frankfurter Allgemeine (2/15) editorialized on its front-page: "The largest military operation since the ousting of the Taliban in December 2001 started last weekend in southern Afghanistan. This is the moment of truth for ISAF Commander McChrystal... Will he succeed to drive out the insurgents from their stronghold and avoid civilian victims? Being in a superior position, ISAF and Afghan troops apparently took the city of Marjah quite easily. However, it will take weeks until every house is searched. The Afghan government will then face the real test. It must show that it can bear responsibility."

Berliner Zeitung (2/15) commented: "Do you still remember Operation Khanjar? It only started seven months ago in Helmand province. U.S. troops, British allies and several units of the Afghan army tried to take two districts in the Taliban stronghold. The military effort was only surpassed by the media hype. However, we never read anything about a successful end. Since last weekend, the region is

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seeing Operation Together. This operation is now being sold as the first large operation since the announcement of Obama's new strategy. It is now said that after the ousting of the Taliban, sufficient troops will remain there to prevent the insurgents from returning to region. Do you believe it? Those who don't believe it are among the regional tribal leaders. They know the Taliban better, since they have been their neighbors for some time. They reached an agreement with them already before the foreign troops came. And they will reach an agreement with them when the foreign troops are gone again."

13. (Mideast) Secretary Clinton in the Mideast

Berliner Zeitung (2/16) editorialized: "Iran is coming under increasing pressure. The Western countries are of course trying to prevent the country from enriching uranium to build a nuclear bomb. The UN Security Council is supposed to impose tougher sanctions soon. Secretary Clinton is travelling the region to get the support of Sheiks. Israeli Prime Minister Netanyahu is currently trying to get the Russians on board. During the debate at the UN Human Rights council in Geneva, representatives of the western countries used the opportunity to condemn the massive violations of human rights in Iran: arrests, death penalties, and the persecution of the opposition. Although this problem has always been on the agenda of the West, it was only a minor issue compared with the nuclear dispute. However, those who express their solidarity with the green movement must take care of its supporters. They must do this all the time and not just when Iran is supposed to be put under more pressure over its nuclear program, because otherwise human rights would only be part of a poker game."

14. (Greece-EU) Stability of the Euro, Goldman Sachs Involvement

All major dailies (2/16) carried reports that, among other banks, Goldman Sachs helped Greece hide its debt in order to join the European Monetary Union. Frankfurter Allgemeine headlined; "Banks Helped Greece Hush up its Debt." Sueddeutsche Zeitung carried a report under the headline: "EU Investigating Accusations Against Goldman - Brussels Demands Information on Potential Assistance of the Bank for Greece and Increases Pressure on Athens to Make even more Savings." Tagesspiegel headline: "A Forgotten Deal is Stirring up the Mood - Goldman Sachs helped Greece years ago to Whitewash the Budget - German Politicians are Outraged."

Under the headline: "Dirty Tricks," Frankfurter Allgemeine (2/16) argued: "Thus far, the falsification of debt payments has been a Greek problem. But the latest turn in the financial scandal is all the more terrifying: these dirty tricks are possibly much more widespread than previously assumed. But because states are not required to publish a balance sheet and because politicians are not liable, the game goes on. The new accusations are now directed against banks...but the ones that have now really made themselves vulnerable are the European financial institutions, because they approved Greece entering the Monetary Union, even though it was clear that they could not rely on Greek debt figures. If the second round of tricks with interest rates was really allowed - as the Greeks claim - then these rules were a scandal."

Sueddeutsche Zeitung (2/16) headlined: "It was the Greeks," and judged: "The transfiguration of the financial crisis is now under full swing....but this mystification obscured a look at reality. The Greek government made unaffordable promises. That is why it struck deals with the Goldman Sachs investment bank which hid the real extent of Greece's state debt from the EU. That is why the proverb continues to remain valid that is spreading in Brussels. There are lies, brazen lies, and Greek statistical data. Yes, Goldman Sachs helped deceive and even profited from it. The bankers were no sirens but they were driven by competition, which almost

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forced them to offer all the financial products to those who were willing to pay for them, including governments. If we want to learn a lesson from the Greek financial crisis, then it is this one. The EU needs the authority to improve control of its member states, and the financial markets need rules which will rein in competition."

Handelsblatt (2/16) opined: "No one should be surprised at reports that Goldman Sachs helped Greece cover up its financial problems with swap deals. It was the large investment banks which built up a system of shadow banks before the financial crisis which only served to bypass existing capital requirements. But the banks should now rethink and approve a code of ethics in their business with the public sector. They should do so in their own interest, because the taxpayers will not eternally watch how an industrial sector that was saved with a lot of public money makes a fool of the public again and again. If the banks continue to pursue their current policies, they will get into increasing trouble."

Regional daily KQlnische Rundschau (2/16) wondered "what is the lesson from the Greek crisis" and judged: "The euro countries must pay greater attention on whom they want to accept in the euro zone. But the main thing is to realize that it is not enough to warn member countries that they would soon exceed the questionable three-percent level. What Europe needs is an effective, mutual control of budget discipline and competitiveness - i.e. an economic government that intervenes at the right time."

MQRkische Oderzeitung of Frankfurt on the Oder (2/16) opined: "Politicians in Germany and elsewhere should be careful not to burden the taxpayer again as they did with respect to the financial markets. Nothing would be won if countries with poor budgetary discipline got assistance without fixing their structural problems. Should the German taxpayer again help out when the Greeks increase their retirement age from 61 to 63, even though he only draws a pension at 67? Assistance for Greece would be the precedent that could then not be denied to other crisis countries such as Spain and Portugal. The dogma of an 'eternal' monetary zone from which no one should leave could be smashed to pieces by reality."

15. (U.S.-China) Obama Receives Dalai Lama

Under the headline: "Obama Against Beijing," Sueddeutsche Zeitung (2/15) argued: "The fact that President Obama will meet the Dalai Lama is a signal. By doing so, Obama is making up for a mistake, because the President missed a first opportunity to meet the Dalai Lama a few months ago. What is the reason for this change of mind, which will certainly burden U.S.-Chinese relations? As a matter of fact, Obama had no other choice. Thus far, each U.S. president met the Dalai Lama over the past two decades. This has always been considered as a commitment to human rights and as a warning to the

Chinese leadership. Over the past year, Obama avoided this signal and this was based on his intention to demonstrate to the leadership in Beijing that a new wind was blowing in Washington.... But Obama made too many concessions to China.... If Obama had not met the Dalai Lama right now, this would have caused an outrage among human rights organizations, and the Republicans would have accused him of giving into China. As far as foreign policy is concerned, the President had no choice either. Despite his extended hand, the Chinese obstructed Obama's policies. Whatever the reasons, the Chinese are unwilling to make a compromise with the U.S. or to seriously cooperate. In the end, however, there should not be confrontation for confrontation's sake. This is a policy Obama will not pursue. At issue is a balance of interests but in a way that the Chinese leadership understands better than a policy of an extended hand."

Regional daily Lausitzer Rundschau of Cottbus (2/16) argued: "Now after many futile attempts to embrace him, the U.S. President dares

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to receive the Dalai Lama in the White House and - as could be expected the Politburo is foaming. It is reason for hope that the overdue conflict with the increasingly arrogant Chinese leadership is now happening in the human rights question. With the assistance of the Dalai Lama, Barack Obama could regain a bit of his credibility in foreign policy that made him a carrier of hope."

16. (EU-U.S.) SWIFT

Frankfurter Allgemeine (2/16) editorialized: "In the vote on the SWIFT agreement, European parliamentarians had to weigh security against data protection. The governments of the EU countries gave more priority to security and, with it, the relations to the United States. It is understandable that this provokes representatives of those parties that are in opposition at home. However, it is only getting clearer now why even CDU and CSU politicians did not support the agreement. To make sure that representatives of the CDU and CSU proved to be reliable partners of America, the Chancellery (we are probably talking here about Chief of Staff Pofalla) told Merkel's men shortly before the vote that the voting results would be noted. However, such an involvement in their right to make decisions touches the pride of CDU and CSU representatives and made them vote with the Social Democrats, Greens and Communists. It was well meant, but turned out badly."

Josef Joffe commented in Tagesspiegel (2/16) on the vote: "This is good for Europe and good for America. Hardly anybody wants to stop Homeland Security from attacking freedom rights in the name of security. The EU therefore did America a favor. We must not allow a few hundred terrorists to dominate our way of life. If the U.S. needs transfer data it must do what the rule of law requires: persuade a judge instead of fishing around in bank accounts. After all, America embodied its bill of rights in the Constitution of 1787, which were only earned in Europe over time."

17. (U.S.) Obama Government

Tagesspiegel (2/16) carried an editorial by its Washington correspondent under the headline: "Land Of Unlimited Anger," and opined: "America continues to remain a country of unlimited opportunities. But currently, it is a country of unlimited anger and unlimited confusion about the political balance of forces. Never before, have so many Americans (73.4 percent) rejected Congress. Never before, has the number of Americans who would not re-elect their Congressman or senator, been so great. And this dissatisfaction is visible in all camps. This mood should force both camps to make compromises and to regain the confidence of the people with practical successes. But this anger has produced a protest groups such as the 'Tea Party' which rejects any compromise with Obama. They represent only ten percent but the Republicans do not dare oppose this group. Overwhelming majorities against everything, and, at the same time, hardly any prospect to find a majority in Congress for concrete projects - it seems that America remains ungovernable for the foreseeable future, at least until the Congressional elections in November. But even those elections will not settle the question of power."

According to Sueddeutsche Zeitung (2/13), "the United States is playing a special role in the debt theater. The situation in the U.S. is extremely contradictory. President Obama's budget has the highest ever deficit during a time of peace, but this does not worry the financial markets. On the contrary, investors flee from the euro to the dollar.... But as far as politics is concerned, the Obama presidency has led the budget policy into a deep crisis. It was primarily the fear of this deficit that resulted in the foundation of the 'Tea Party' and turned the mood in the country against the Democrats. But this conservative revolt leads to a refusal to accept reality with respect to the long-term U.S.

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financial problems. Without comprehensive reform, the cost of the healthcare system will blow up the U.S. budget in the next decade. Higher taxes will be unavoidable as will be spending cuts. Everyone knows this but the political culture in Washington seems to prevent any form of compromise. This blockade, this incapability to resolve obvious problems, let us fear about long-term security and the U.S. leading role in the world. During the worst days of the financial crisis, the international community took unprecedented steps and coordinated action to prevent the worst. Now it is important to prevent long-term and possible irreversible consequential damages."

DELAWIE